

LIBYA THREATENED WITH DISINTEGRATION

I. Libya's Internal Condition Essentially Weak:

- A. Libyan unity, established by UN, threatened by Cyrenaican separatism.
- B. People illiterate, economically impoverished and politically immature.
- C. Libya largely dependent on British financial assistance.
- D. Lacks capable administrators.
- E. Libya has, however, a capable pro-Western prime minister, Mahmoud Muntasser.

II. Libya's Problems:

- A. Its essential weakness naturally generates serious political, economic and administrative problems.
- B. To these are added pressing problems in foreign affairs.
 - 1. Egyptian efforts to influence Libya.
 - 2. Italian interest in a treaty disposing of Italian property.
 - 3. British and French military base agreements.
 - 4. British and French interest in Libya's disintegration.
 - 5. US interest in base agreement.

III. American Stake in Libya:

A. US has been unable to get an agreement regularizing use of Wheelus Field outside Tripoli.

B. This is attributable mainly to Libyan concern for sovereignty and money.

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C.



1. US wants Libya to continue in existence.

2. Conflict between prime minister and king, threatening Libya's existence, reportedly resolved.

a. Compromise provides for elimination of British influence and substitution of American base negotiations for current ones with Britain.

b. Such a compromise, if made, not likely to end royal interference and could generate Anglo-American friction.

IV. Role of Egypt in This Situation:

A. Seeking a pre-eminent position in Libya, Egypt extending its influence over king and his advisers, sending teachers to the Libyan schools, and offering financial

assistance to the country

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- B. More ominous, Cairo reportedly financing terrorist cells in order to forestall Libyan parliament approval of base agreements with West.

V. Conclusion:

- A. Growing Egyptian influence in Libya draws it away from the West.
- B. This influence, adding to disintegrating tendencies at work in Libya, poses another Arab-Western problem.
- C. These developments serve neither American military and political objectives nor UN's moral and political stake in a free Libya.
- D. Libya likely to fall apart or become imbued with anti-Western sentiments.

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